

E N E R G Y

Congressman Ronnie Shows Mississippi's 4th District



"Together, as Mississippians
and Americans, we can
tackle any task and
accomplish any goal."

Congressman Shows



Principles for Energy Prosperity:

- HELPING MISSISSIPPI FAMILIES
- CREATING MISSISSIPPI JOBS
- SUPPORTING PRODUCTION
- LOWERING FUEL COSTS
- SUSTAINING OUR RESOURCES



Ronnie Shows represents the 4th Congressional District of Mississippi. He may be contacted by writing to 1408 Longworth HOB, Washington, DC 20515, or by calling 601.352.1355 or 202.225.5865. Ronnie can also be contacted on the World Wide Web at www.house.gov/shows. Ronnie sits on the Committees of Financial Services, Agriculture and Veterans Affairs.



SHOWS PRINCIPLES FOR ENERGY PROSPERITY

Helping Mississippi's Consumers, Promoting Growth, Planning & Sustaining Our Resources



As Mississippians, we do not advocate energy policies that will require rationing or reductions in our standard of living, rather, we advocate an energy policy that is balanced, fair, and forward-looking. Congressman Shows supports a plan that recognizes the need for utilizing the abundance of America's own energy resources, decreases dependence on international factors, stops the bottlenecking of crude oil at the refineries, develops farm- and forestry-related energy resources, calls for new energy production and generation, and will, at the same time, save consumers money. Congressman Shows believes this can all be done while sustaining our resources, creating real jobs, and keeping our economy strong and protecting our national security.

Lowering Fuel Costs, Growing the Economy, Creating Mississippi Jobs

A Comprehensive National Energy Policy is necessary. Our nation has operated for too long without having a true direction and set of national goals and standards that will keep fuel and energy affordable, grow our economy, decrease dependence on foreign sources and create jobs in Mississippi. We must have a policy that addresses all energy sources as well as challenges, addresses both long term and short term issues, and places the American citizen, not the massive oil corporations, in the driver's seat.

Building more American-based Refineries. Crude oil is transformed into usable gasoline and energy at the refinery. Today, U.S. refineries are operating at full capacity. And this full-capacity distinction does not meet the national demand for fuel. Why? There are not enough refineries. In 1975, there were nearly 300 refineries in the United States. Today, there are 149 refineries in operation. Why? Taxes! A refinery tax on large refineries producing more than 50,000 barrels per day enacted in 1975 has devastated our ability to refine crude oil.



We can pump and supply all the crude oil possible, but, today, with our limited refining capabilities it will only bottleneck at the refineries leaving Mississippi consumers with a limited supply of fuel at a high cost.

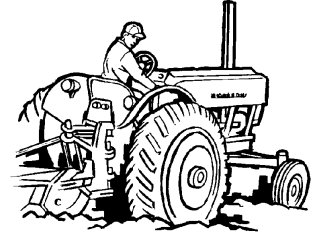
By increasing the limits of barrels per day a refinery can produce in fuel to 155,000 barrels we can fully utilize existing refineries and stimulate the growth of new ones. The Internal Revenue Code dealing with refineries must be changed.

Oil producers and landowners in Mississippi will benefit

Let's build a refinery in Mississippi

*Let's create jobs in Mississippi, increase the fuel supply and lower fuel costs
with a tax code that encourages American-based refineries*

Mississippi farmers grow fuel as well as food. Let's have a policy to encourage the use of so-called "bio-fuels. Biodiesel is made from soybeans and meets the EPA's health testing standards. Biodiesel is renewable and can be produced in abundance in Mississippi. In Europe, motorists already consume 250 million gallons of biodiesel each year. Biodiesel, ethanol and other bio-fuels offer environmental, energy security, and economic development benefits for Mississippi.



*Creating Mississippi jobs
Tax incentives for farmers to develop fuel crops, research and development
Decreasing oil from foreign countries, supporting domestic oil, bio-fuels making the difference
Lower costs and a growing Mississippi economy*

Treated-wood as fuel. Treated-wood such as utility poles, pilings and railroad ties have a long (30-50 year) planned life and the number of them in service at any time can be calculated, it is easy to predict that they can provide a stable source of fuel. A large content of coal and petroleum derived oils are used to treat this wood, thus creating a supplemental fuel with a very high-energy (BTU) content.

Today, it costs roughly \$115 million per year to landfill treated-wood. This same amount is equivalent to \$364 million each year is energy value. The total savings for recycling treated- wood as energy would be \$479 million or almost half a billion dollars annually. The EPA has approved the use of treated wood as energy. There are already some power plants burning these materials. In a landfill, treated wood gives off greenhouse gases.

*Cleaning up our landfills
Creating Mississippi jobs
Adding Value to Mississippi Products*

The **Federal Government must tighten its belt** and be an example. Since the start of the western electricity crisis, the California State government has cut its daily electric usage by eight to over twenty percent. Congressman Shows believes it is time for the federal government -- America's largest energy user with over 500,000 buildings -- to become part of the solution and not part of the problem. All federal facilities in the Western Electric Grid, and in other regions susceptible to electricity shortages, should meet a minimum daily reduction in electric power usage of eight percent. Facilities in areas subject to potential blackouts should be prepared to match local government reduction goals during times of power alerts. That means, for example, the federal government should match the twenty- percent performance of California in the event of a serious power alert.

Supporting the Elderly and Poor with support through the *Low Income Heating and Assistance Program* (LIHEAP). Congressman Shows has consistently supported and called for full use and support of LIHEAP. Low and fixed income Mississippi families often need support in meeting the rising costs for energy. LIHEAP is an important tool for aiding our poor, and our parents and Grandparents.

Producing American Petroleum and Natural Gas. Currently, *oil and natural gas account for approximately 65 percent of the nation's energy supply* and will continue to be the significant energy source in our country. We need to provide greater market stability for both the oil and gas industry to help **maintain and increase** domestic production, and to deter wild price swings that hurt American families.

Congressman Shows **supports tax incentives** for domestic production of crude oil. These incentives are directed at making marginal wells more profitable to keep them in production as well as to reduce the costs of domestic exploration for new sources of oil and gas. Mississippi will greatly benefit from increased production of oil and gas.

Mississippi has the largest accumulation of natural gas pipelines in the nation
Tax credits for producing oil and gas from marginal wells
The election to expense geological and geophysical expenditures and delay rental payments
5-year net operating loss for operating mineral interests of independent oil and gas producers
Temporary suspension of limitation based on 65 percent of taxable income and extension of suspension of taxable income limit with respect to marginal production

Petroleum Market Stability. Wild price swings are harmful to both domestic producers and consumers and can constitute a threat to our economic stability and national security.



Petroleum reserve: One tool available to minimize the economic damage caused by oil market disruptions is the release of oil from the Strategic Petroleum Reserve. And, in order to protect the domestic industry in times of falling prices, which may force the shutdown of domestic wells, the Federal government should purchase oil to place in the reserve.

Natural Gas is important to Mississippi. According to the National Petroleum Council, 91% of the United State's proven reserve of onshore natural gas (1,466 trillion cubic feet), is open to drilling. Seventy-nine percent of offshore natural gas (286 trillion cubic feet) is currently open to drilling. Together these reserves would meet current needs for 40 years. In order to encourage natural gas production, Congressman Shows proposes the same tax incentives for marginal wells and domestic exploration as proposed above for crude oil.

Mississippi has the most natural gas pipelines in the nation. Landowners all across Mississippi have been contacted for years by Natural Gas companies about possible reserves stored under their land. We must find this gas and use it. Mississippians stand to benefit.

In addition, we must support a production tax credit to promote the development of a new Trans-Alaskan natural gas pipeline to bring natural gas on Alaska's North Slope to the continental United States. Congressman Shows also supports the creation of a natural gas reserve to protect American consumers from dangerously high natural gas prices, which affect the electricity market, and to be used to buy domestic natural gas from marginal wells during times of low prices.

Speed up permitting for pipelines. Congressman Shows wants to require the Federal Energy Regulatory Commission review its permitting process to speed approval of pipeline construction. Work needs to be done to expedite the siting of pipelines

*Natural Gas is Important to Mississippi
Lowering Energy Costs
Create Tax Incentives to Find, Extract and Transport Mississippi Natural Gas
Growing Mississippi's Economy and Creating Jobs*



Coal cannot be ignored, America's most abundant fuel source.

Coal is currently the source for over 50% of America's electricity generation. Technology exists to make the use of coal a safe and clean process. Coal production and use should increase. We need to encourage innovation in research and provide incentives for reducing pollution from our coal-fired power plants.

"EXCEED" Tax Credit. Congressman Shows supports an investment tax credit for the cost of clean air control technology for utilities that lead a power plant to exceed mandatory emissions reduction levels for pollutants regulated under Title I of the Clean Air Act, or for significant early compliance with clean air emissions reduction target dates. This credit would also be extended to measures that reduce CO2 emissions. This credit could be applied on a sliding scale to encourage greater or faster emissions reductions. Public utilities and coops would be permitted to trade the credits or use them as offsets against debt or obligations in lieu of tax credits.

*Coal: America's most abundant energy supply
Don't ignore coal
Technology makes coal clean
Tax Incentives for clean coal must be used
Lowering the costs of fuel and energy*

Research – Development – Education -- the Future

Electricity transmission. Increased wholesale electricity sales have placed strains on our existing electricity transmission infrastructure. Congressman Shows wants to direct the National Academy of Science to study our existing nationwide grid to identify infrastructure bottlenecks so that the federal government can then target incentives to the highest priority modernization projects.



The United States has long been the world leader in developing new energy technologies. Congressman Shows **believes that the U.S. must continue its investment in New technologies in order to maintain our technological lead in energy efficiency and that the Congress should direct the National Academy of Sciences to investigate cost-effective ways in which America can become more energy efficient through the use of New technologies.** We also need to invest in finding ways to increase energy production, such as farm-related fuel, and to use fossil fuels and other currently utilized energy technologies in the most sustainable manner possible.



Congressman Shows is concerned that certain budget proposals currently under debate fail to recognize programs, which will help achieve these goals. The administration proposed reductions in overall spending for the Department of Energy by \$460 million. If funding for the clean coal power initiative is removed from **fossil energy research and development, the remaining fossil energy programs are cut by an average of 45%.**

Renewable energy (from the farm) is cut by 34.6%. Geothermal research is cut by 48.3%; hydropower by 49.9%; solar energy by 53.7% and wind energy by 48.2% – this puts our future in jeopardy.

Renewable and Alternative Energy. There are a number of promising technologies (some already mentioned) whose development could result in cost-effective alternatives to traditional energy sources. The Energy Information Administration has said an aggressive research and development deployment program can make significant reductions in energy requirements over the next 20 years. Within such a comprehensive plan of energy research and development, we should call on the Department of Energy to publish an annual inventory and assessment of renewable energy resources and to promote their development. Some of these programs include wind, photovoltaic, solar, biomass, geothermal, and biofuels; distributed generation and cogeneration; fuel cell technology; and net metering and national interconnection standards.

Science Education. A critical factor in the development of new technologies is education. Congressman Shows believes every effort should be made to encourage colleges and universities to participate in programs that will attract students who will be the research scientists, geologists, and engineers of tomorrow. We should support a scholarship program for science and engineering students whose academic careers are focused on energy research and development, as well as grants to those universities who establish programs directly-related to research and development in renewable and alternative energy technologies.

Sustaining Resources for the Future



Only secondary to our people, is the strength of our nation's natural resources. The beauty and bounty of America and Mississippi are the envy of the world. We must protect our natural resources. Thanks to new technologies and research, we can use our natural resources and protect our land and families at the same time. Coal cleaning technology, trees that will mature in 20 years, incredible oil drilling aspects that protect the land and the ability to safely transport our energy sources are profound.

We must be bold in exploring and going after the energy sources across our land. And, we must use all research and technology available to protect our land and keep our families safe. It can be done.

"Bringing all our resources, human and natural, together, taking action now while looking to the future will result in a comprehensive national energy policy that will reap benefits for generations to come." – **Congressman Ronnie Shows**

(end)

